



Meadowville Technology Park, Chesterfield County

SUSTAINING MOMENTUM ON PROJECT-READY SITES

January 13, 2025



OUR PURPOSE

Enriching **lives, communities**, and the **Commonwealth** through economic development excellence



ENRICHING VIRGINIANS'

LIVES

Hitachi Energy, Halifax County



Commonwealth Crossing, Henry County

In 2021, Crown Holdings, Inc. announced the creation of 126 jobs paying above the prevailing average wage in rural Henry County, a locality with poverty and unemployment rates above the statewide average. The Commonwealth Crossing site was supported by VBRSP.

ENRICHING OUR

COMMUNITIES

High School Students United With NASA To Create Hardware

Partnering With:
DHS Aviation Academy



Denbigh High School Aviation Academy



Beanstalk Farms, Fairfax County



FDP Brakes, Essex County

\$7.7 million

Nominal value of tax dollars to a locality over 20 years for an average manufacturing project*

*Based on average VEDP-assisted project size in FY24 (168 jobs, \$85M capex), using a locality with tax rates in line with the statewide average. Assumes local incentives of \$1.7M.



A. Smith Bowman Distillery, Spotsylvania County

The image shows the Virginia State Capitol building in Richmond, Virginia, with a field of colorful tulips in the foreground. The building is a large, white, neoclassical structure with a prominent portico supported by columns. The tulips are in various colors, including purple, pink, and orange. The sky is a clear, bright blue. The text "ENRICHING THE" is overlaid in white, bold, sans-serif font at the top of the image.

ENRICHING THE

COMMONWEALTH

Virginia State Capitol, Richmond

Economic development is a net contributor to the general fund

\$8:1

Estimated Return on Investment in state tax revenue per dollar invested over five years¹

~90%

of General Fund Revenues are driven by economic development (Individual & Corporate Income, SUT)

¹VEDP ROI analysis based on announced jobs and investment in FY23, taking into account operational and administrative budget, project incentives, and the cost of new in-migrants to fill jobs, assuming ramp up of employment over three years. **While impacts continue to accrue over time, conservative five-year period was used.**

Source: Virginia Department of Planning and Budget; VEDP analysis



Virginia State Capitol

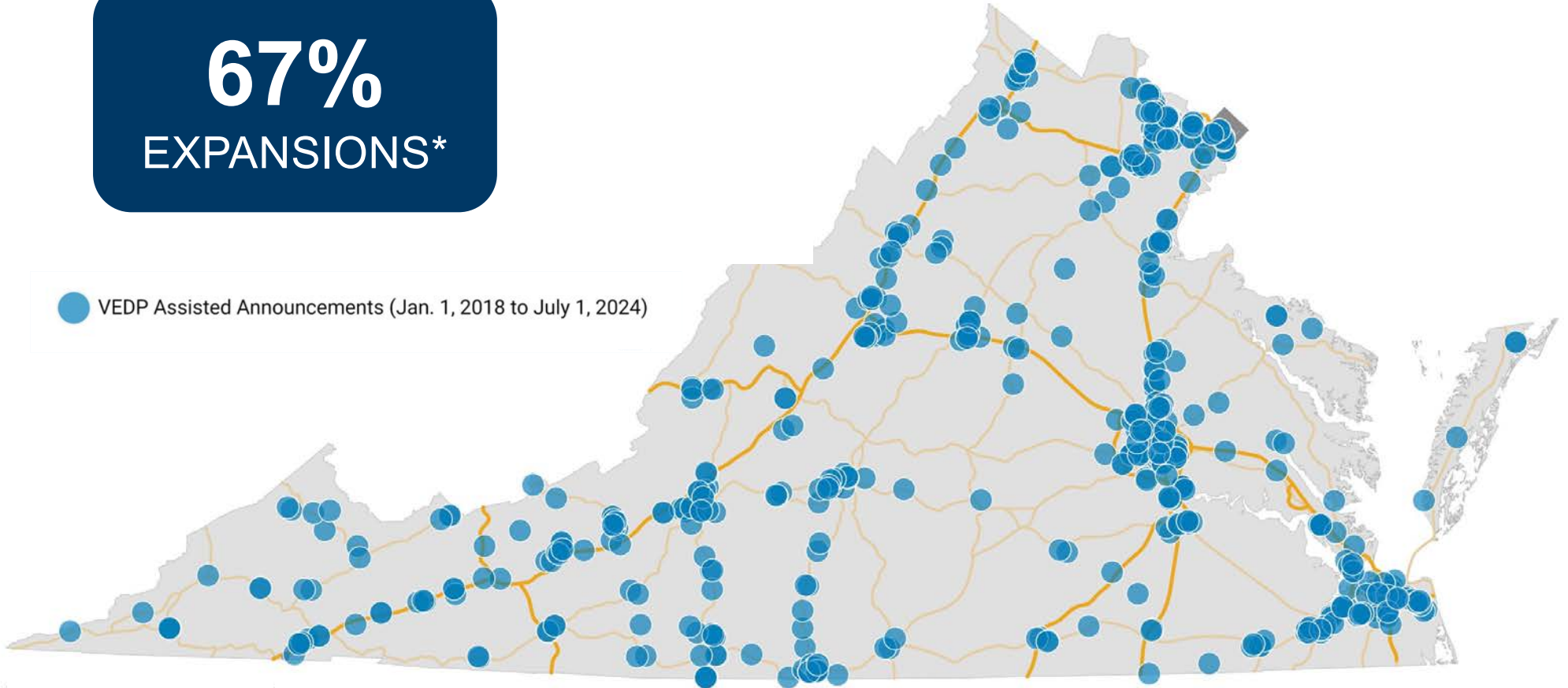
620+
PROJECT WINS

~103,000
NEW JOBS

\$103B+
IN CAPEX

67%
EXPANSIONS*

● VEDP Assisted Announcements (Jan. 1, 2018 to July 1, 2024)



*Percentage of projects that are expansion projects
Source: VEDP Announcement Database

VEDP HAS DELIVERED SIGNIFICANT IMPACTS THANKS TO INVESTMENTS MADE BY THE COMMONWEALTH



Tech Talent Investment Program



14 participating institutions collectively produced 2.5x computer science grads vs. goal to date



Virginia Talent Accelerator Program



No. 1 training program in U.S.; helped secure 15,000+ new jobs



International Trade Strategic Plan



~400 additional companies supported since FY22 with ~100% satisfaction; VA exports grew from \$52B to \$70B from 2018-2022



Virginia Office of Education Economics (VOEE)



Nation-leading, actionable insights on the linkages between education and labor market



Virginia Business Ready Sites Program (VBRSP)



45 sites advanced towards project readiness; already unlocking an early-stage impact of 9,861 new, direct jobs with positive ROI

INVESTMENT IN SITES IS CRITICAL FOR ACHIEVING VIRGINIA'S TRANSFORMATIONAL ECONOMIC DEVELOPMENT GOALS

1

Robust State Growth

Position Virginia to achieve a growth rate among that of the top 5-10 states in the U.S.

2

Every Region Wins

Ensure that every region participates in the growth of the Commonwealth

3

Best State for Business

Restore Virginia to its previous leadership position near the top of the national business climate rankings

4

Top State for Talent

Establish Virginia as a top state for talent retention, attraction, development, and alignment

5

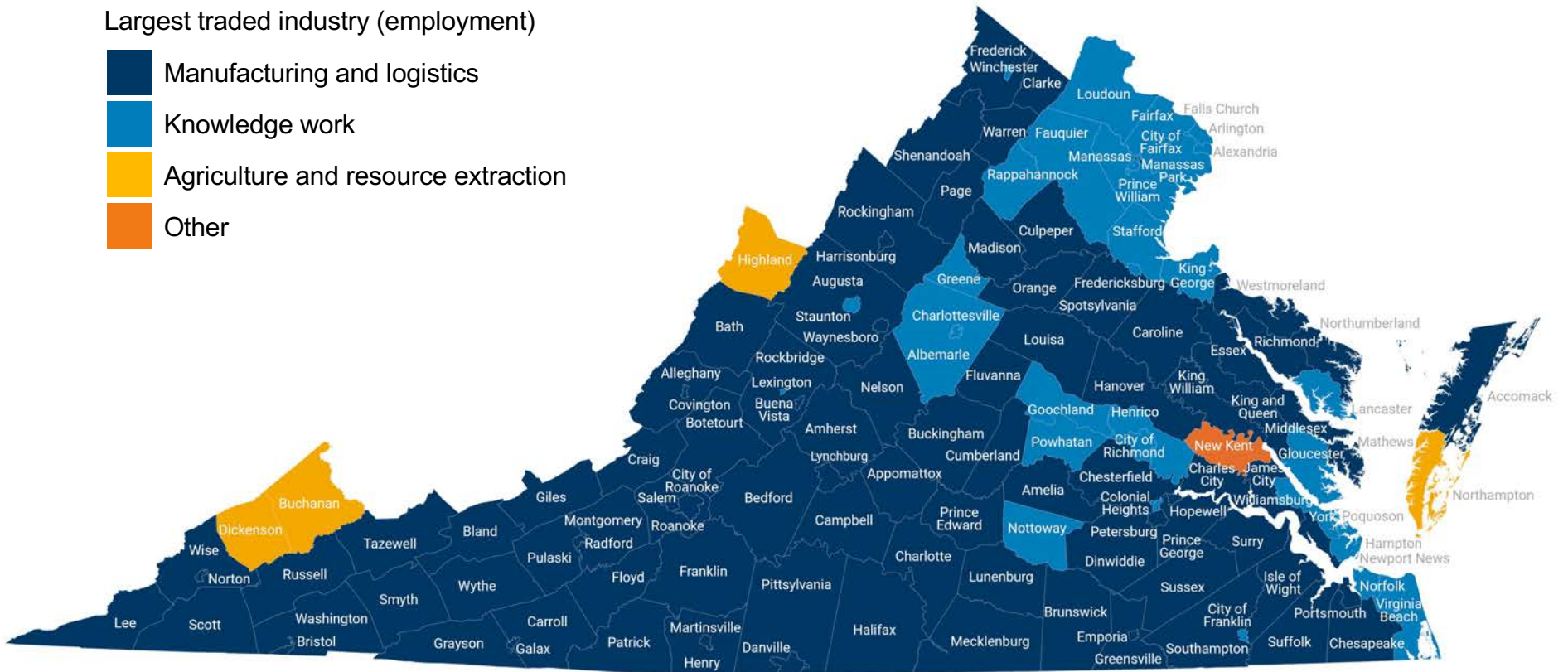
Most Innovative, Collaborative, and Effective State EDO

Solidify VEDP's position as one of America's top state EDOs through an innovative strategy, collaborative approach, and effective outcomes

PROJECTS THAT REQUIRE READY SITES (MANUFACTURING AND LOGISTICS) ARE THE BIGGEST OPPORTUNITY FOR MOST REGIONS

Largest traded industry (employment)

- Manufacturing and logistics
- Knowledge work
- Agriculture and resource extraction
- Other



THE LACK OF PROJECT-READY SITES AND BUILDINGS HAS COST VIRGINIA OVER 160K JOBS AND OVER \$150B IN CAPEX SINCE 2019

Since 2019, Virginia has lost:

59K+

DIRECT JOBS

\$158B+

CAPEX

110K+

EST. INDIRECT
AND INDUCED JOBS¹

\$469-570M

EST. ANNUAL RAW²
STATE REVENUE

Illustrative projects lost

| | | |
|--|-------------------|--------|
| Project Apollo Semiconductor | 7,200 direct jobs | \$47B |
| Project Settlement Semiconductor | 5,600 direct jobs | \$40B |
| Project Darwin Automotive | 5,200 direct jobs | \$3.5B |
| Project Thor Aerospace & Defense | 4,000 direct jobs | \$900M |
| Project Mega Connect Automotive | 3,500 direct jobs | \$5B |
| Project P2 Semiconductor | 3,500 direct jobs | \$21B |
| Project Sirius Semiconductor | 1,800 direct jobs | \$2B |
| Project Phoenix Advanced Materials | 1,000 direct jobs | \$2B |

¹Estimated indirect and induced jobs calculated using project NAICS codes and industry multipliers

²ROI estimation method does not account for incentives provided (range reflects est. annual revenue at five to ten years)

Source: VEDP project data as of December 9, 2024

VIRGINIA BUSINESS READY SITES PROGRAM (VBRSP) PROMOTES AND ENHANCES THE COMMONWEALTH'S INFRASTRUCTURE

- 2014**
 - VEDP notes the lack of large project-ready sites
- 2015**
 - VBRSP is formed
- 2018**
 - VEDP recognizes we still do not have the needed information for large sites
- 2019**
 - VEDP launches large-scale effort to characterize all 25+ acre sites in VirginiaScan
- Today**
 - Since 2017, \$242M in VBRSP grants have been awarded for site development (99% since 2022)
 - Limited number of megasite investment opportunities reinforces importance of identifying new megasites



Summit View, Franklin County

FOLLOWING THOROUGH ANALYSES, INVESTMENT DECISIONS ARE MADE ACCORDING TO THE FOLLOWING VBRSP PRIORITIES

**Improve
market-ready
site inventory**

**Create “high-win
potential” sites**

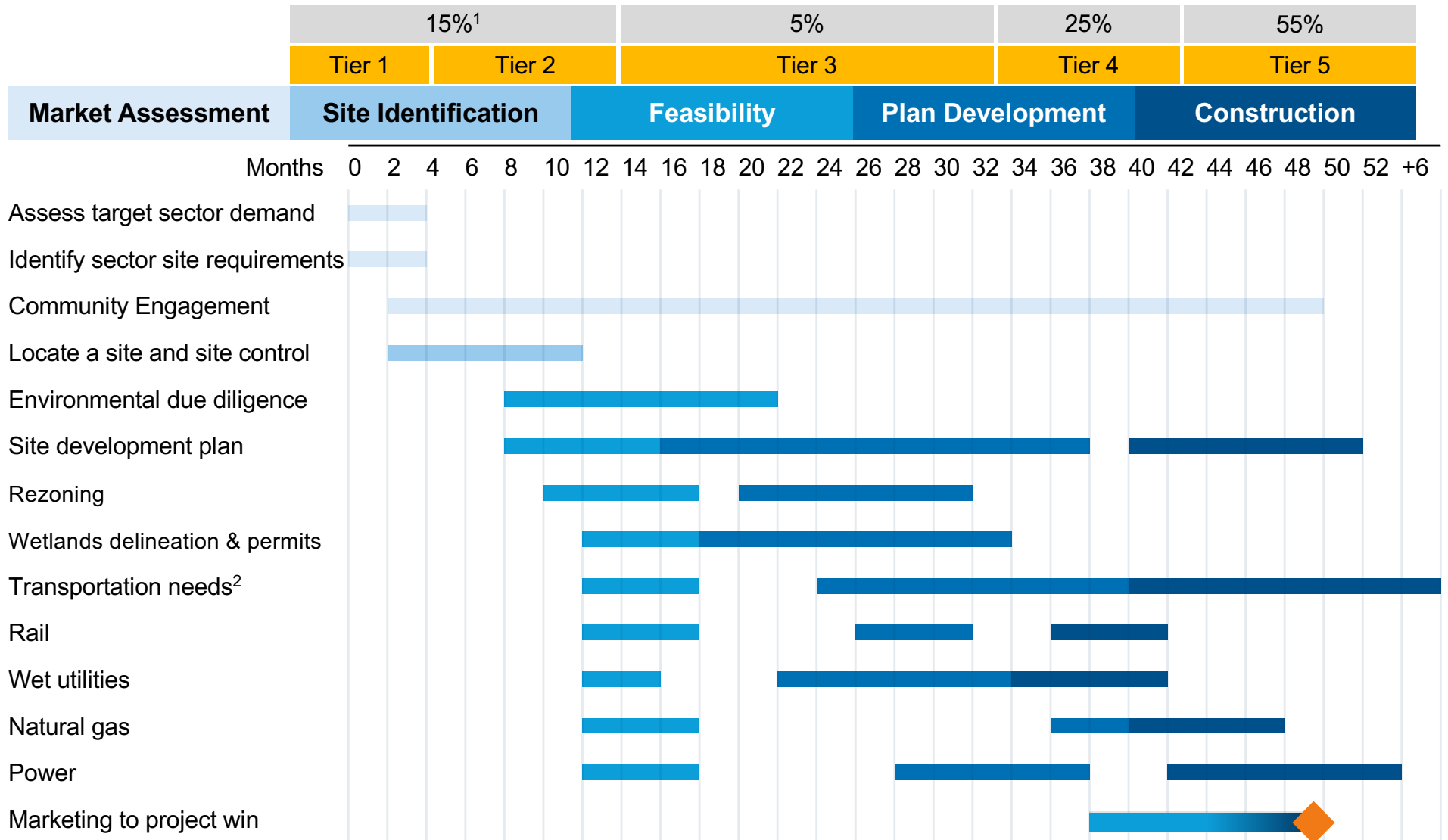
**Practice fiduciary
stewardship
(including ROI)**

**Advance sites
from lower tiers**

**Focus on sites
with potential for
regional and
state-wide impact**

**Ensure
geographic
diversity**

GETTING A SITE TO PROJECT-READY STATUS IS A COMPLEX, MULTI-STAGE PROCESS THAT TYPICALLY SPANS YEARS (1 OF 2)



Note: This is a representative list for a large or complex site and timelines or specifics may vary significantly, see assumptions in Appendix

¹Percentages represent approximate portion of the total site development cost typically associated with each tier level

²Includes: Roads, Transit, etc.

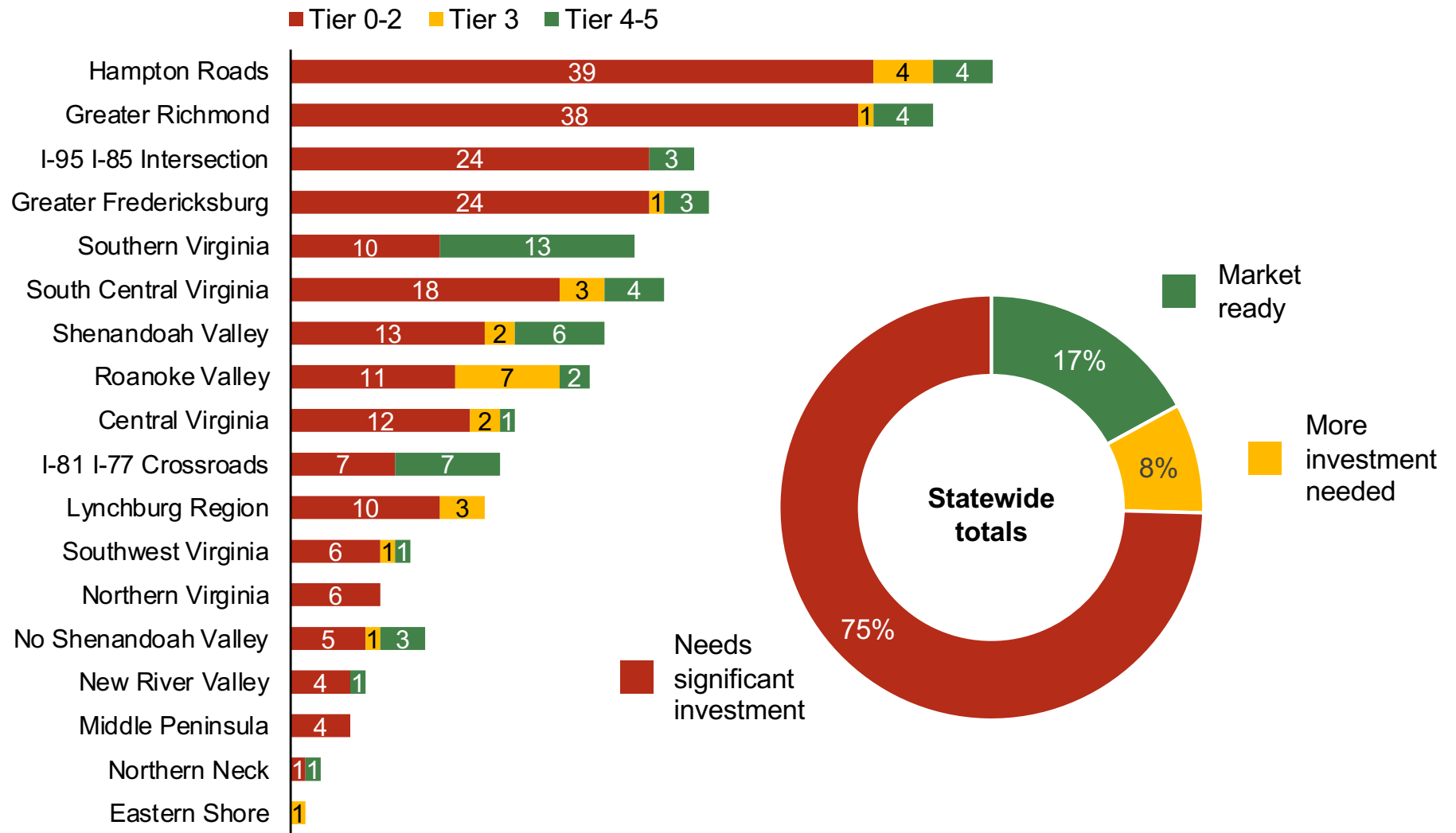
GETTING A SITE TO PROJECT-READY STATUS IS A COMPLEX, MULTI-STAGE PROCESS THAT TYPICALLY SPANS YEARS (2 OF 2)



*Represents a tier level progressing towards Tier 5

THE VAST MAJORITY OF SITES IDENTIFIED FOR PROSPECTS IN VIRGINIA REQUIRE SIGNIFICANT ONGOING INVESTMENT

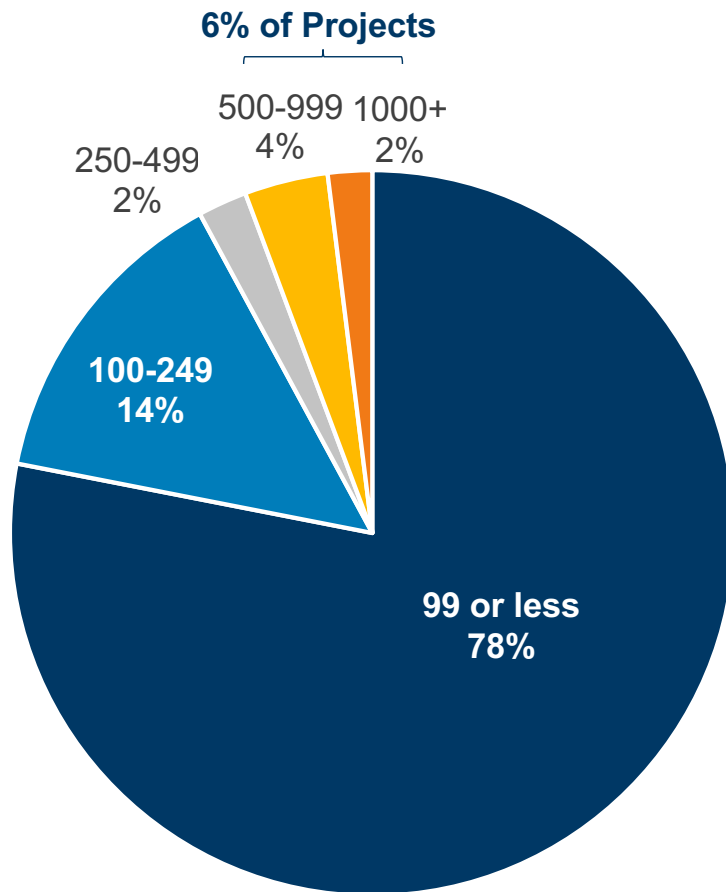
Marketing Region Sites¹



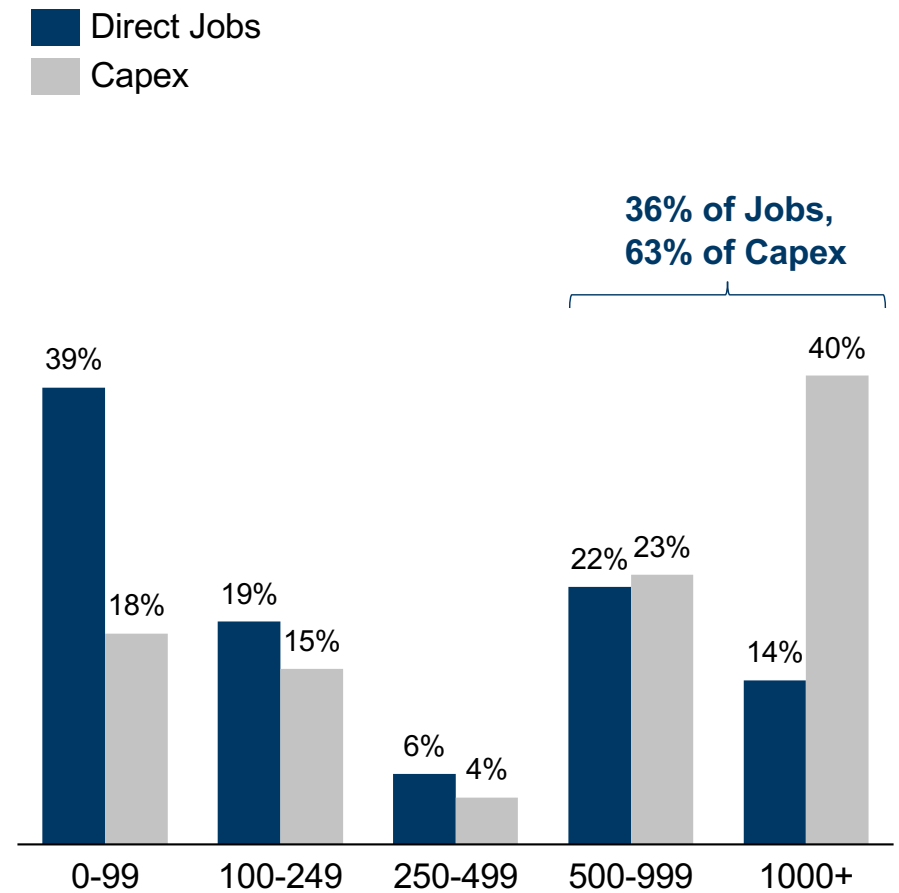
¹Reflects sites 25 acres or larger with a Virginia Business Ready Sites Tier as of March 18, 2024
Source: VirginiaScan data

500+ ACRE PROJECTS ARE A SMALL PERCENTAGE OF PROJECTS, BUT THEY ARE A SIGNIFICANT PORTION OF JOBS AND CAPEX

2020-2023 VEDP site search requests by project acreage



Potential jobs and capex by est. project acreage (2020-2023)



Source: VEDP site search request data, VEDP analysis

THE SITE DEVELOPMENT TASK FORCE IS OUR INSURANCE FOR VBRSP RETURN ON INVESTMENT

Members



Mission

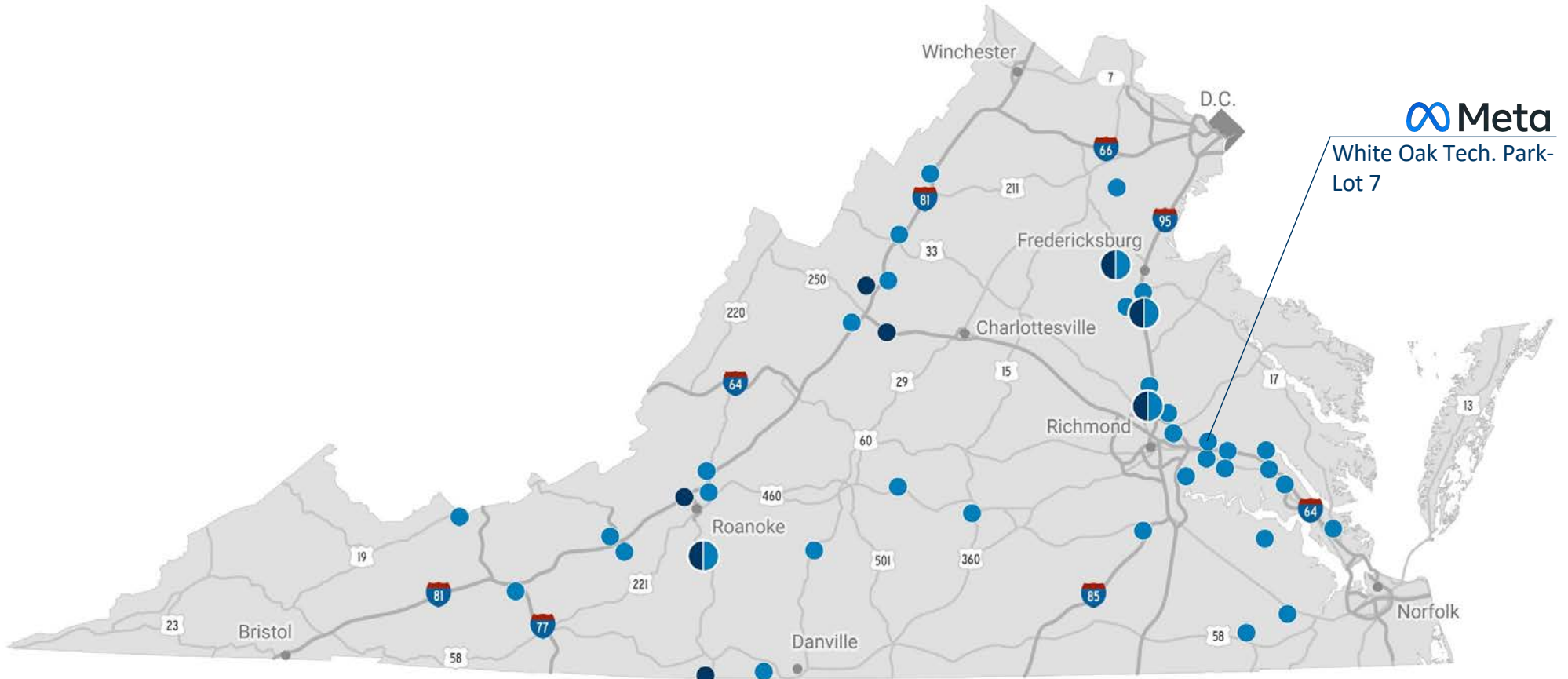
- Identify strategic properties
- Establish development plans
- Accelerate the delivery of business-ready sites to win projects

Member Responsibilities:

- Provide subject matter expertise on high potential sites selection
- Decision maker attendance
- Establish Critical Development Tasks w/ resolution steps & timelines
- Champion the resolution of Critical Development Tasks

LIMITED VBRSP FUNDS FOCUSED ON SITE CHARACTERIZATION, WITH STRATEGIC INVESTMENTS IN SITE DEVELOPMENT

FY17-FY18: \$1.38M invested – \$1,044M pledged capex and 312 jobs



Meta

White Oak Tech. Park-Lot 7

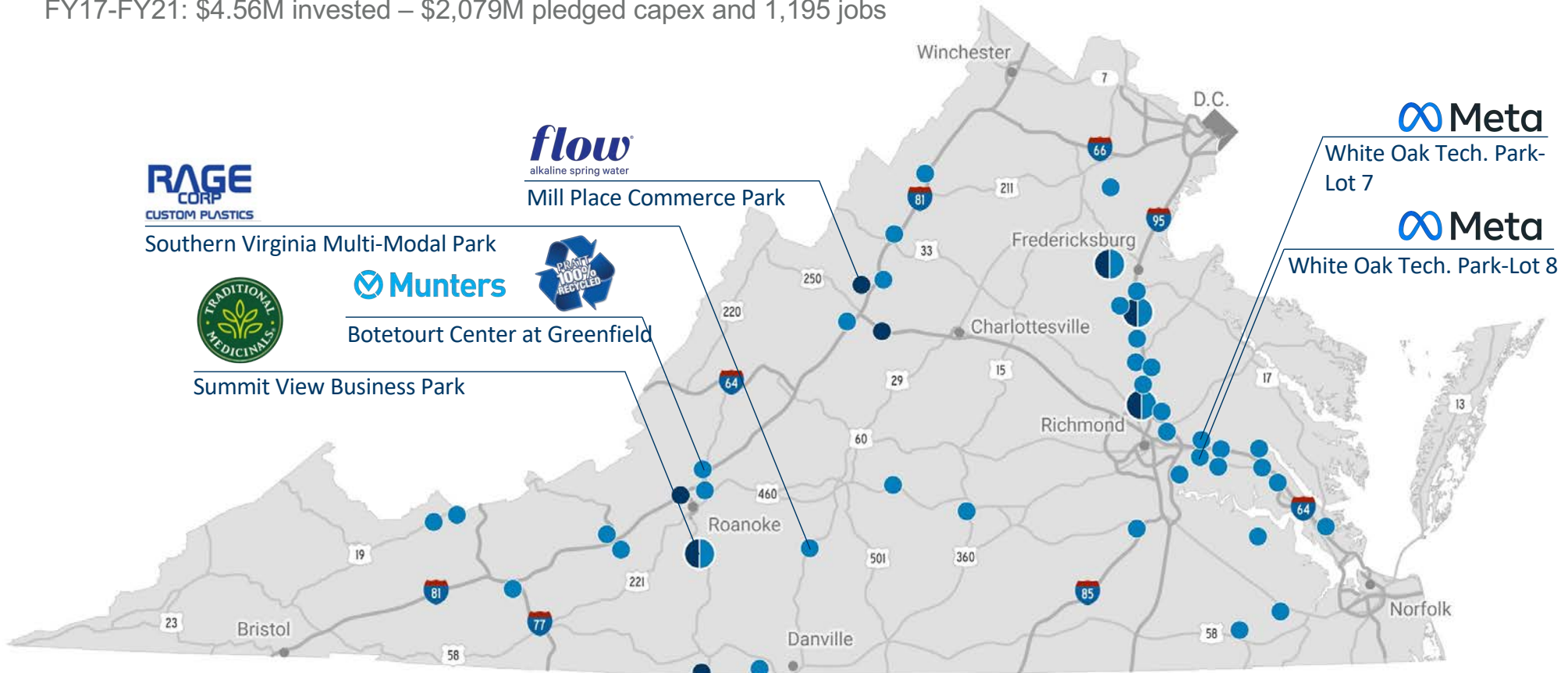
PRESSGLASS

Commonwealth Crossing

- 1 Investment
- 2 Investments
- 3 Investments
- 4 Investments
- Site Characterization Grant
- Site Development Grant

VEDP CHOSE TO LET VBRSP FUNDING CARRY OVER AND ACCUMULATE TO MAXIMIZE THE IMPACT

FY19-FY21: \$3.18M invested – \$1,035M pledged capex and 883 jobs
 FY17-FY21: \$4.56M invested – \$2,079M pledged capex and 1,195 jobs



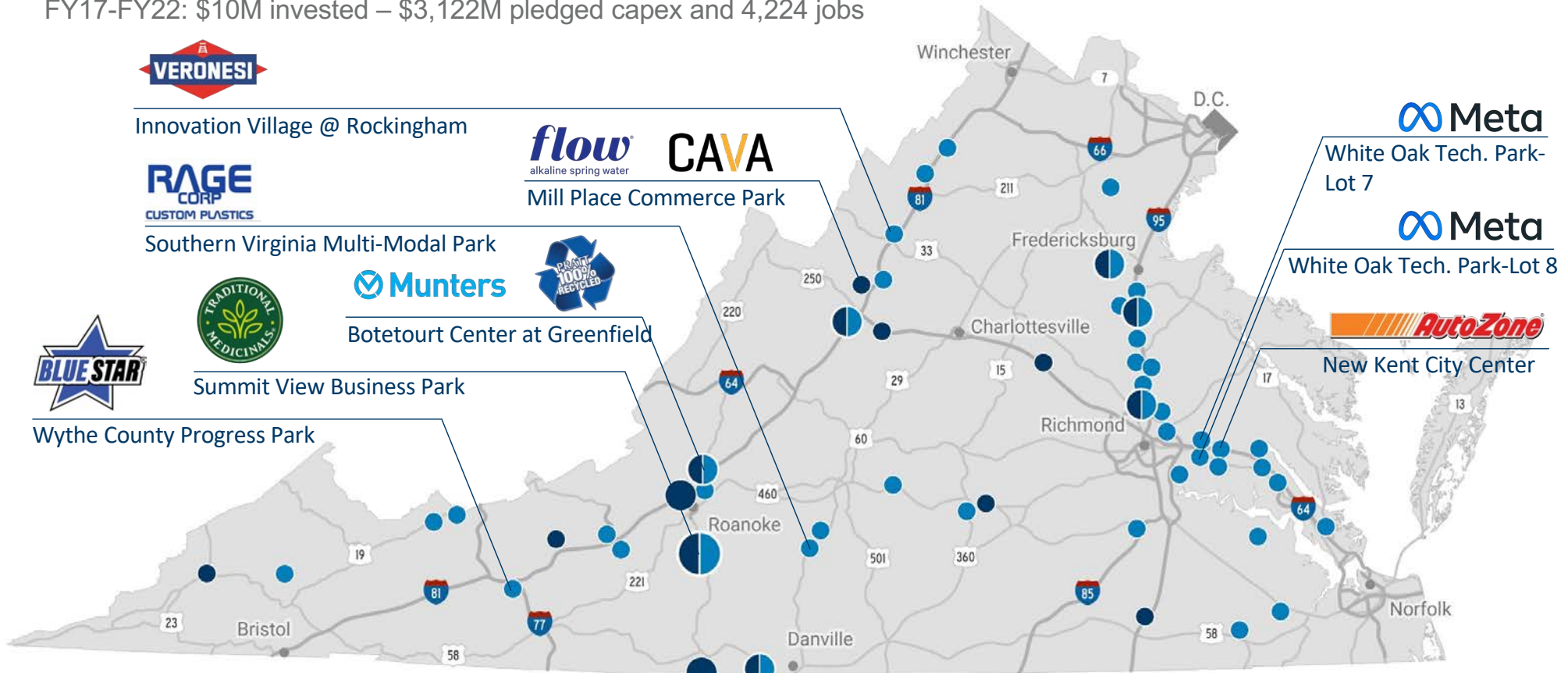
Commonwealth Crossing



2022: VBRSP SAW ITS FIRST SIGNIFICANT INFUSION OF FUNDING

FY22: \$5.56M invested – \$1,043M pledged capex and 3,029 jobs

FY17-FY22: \$10M invested – \$3,122M pledged capex and 4,224 jobs

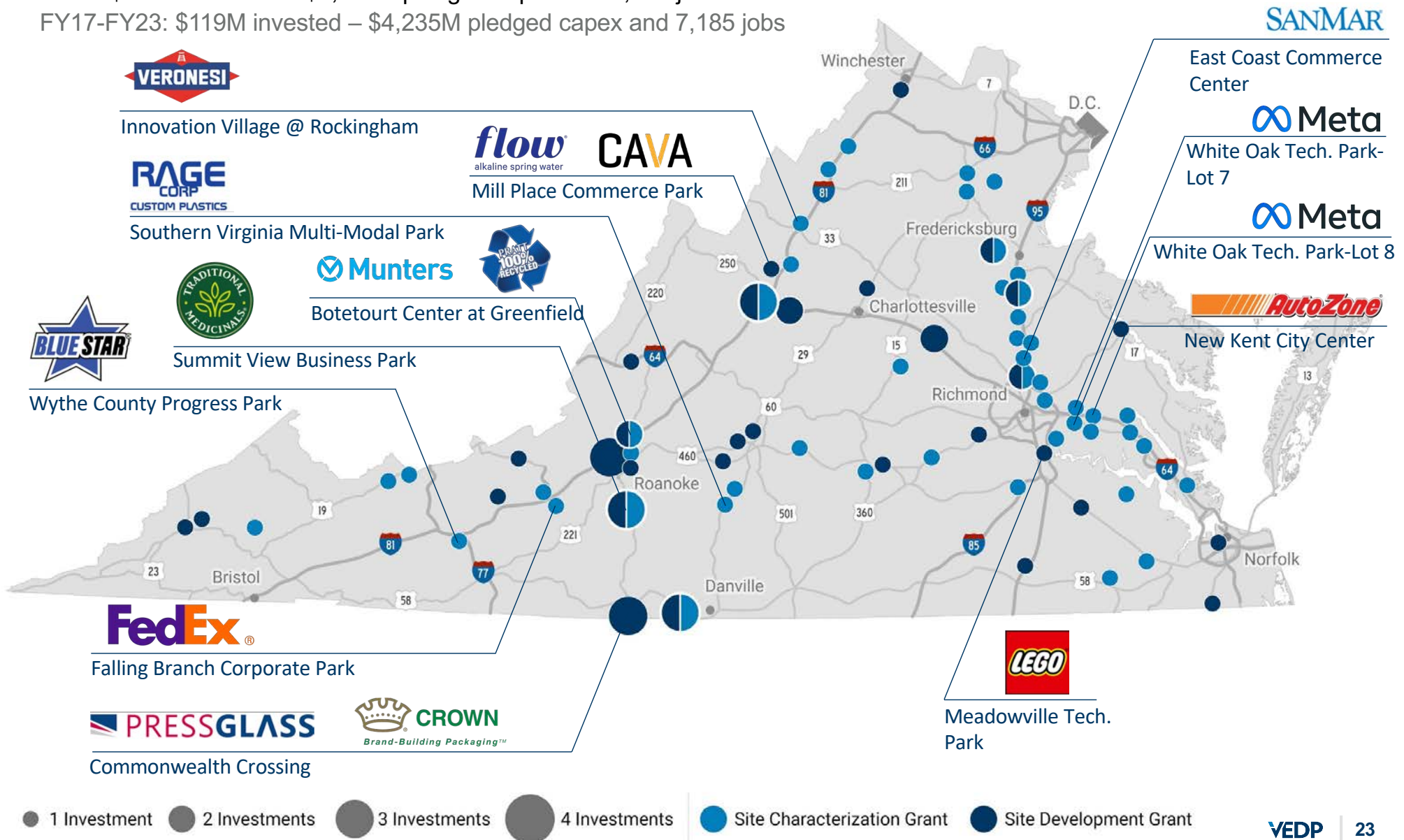


● 1 Investment ● 2 Investments ● 3 Investments ● 4 Investments ● Site Characterization Grant ● Site Development Grant

2023: A HISTORIC TURNING POINT FOR VBRSP WITH \$109M INVESTED

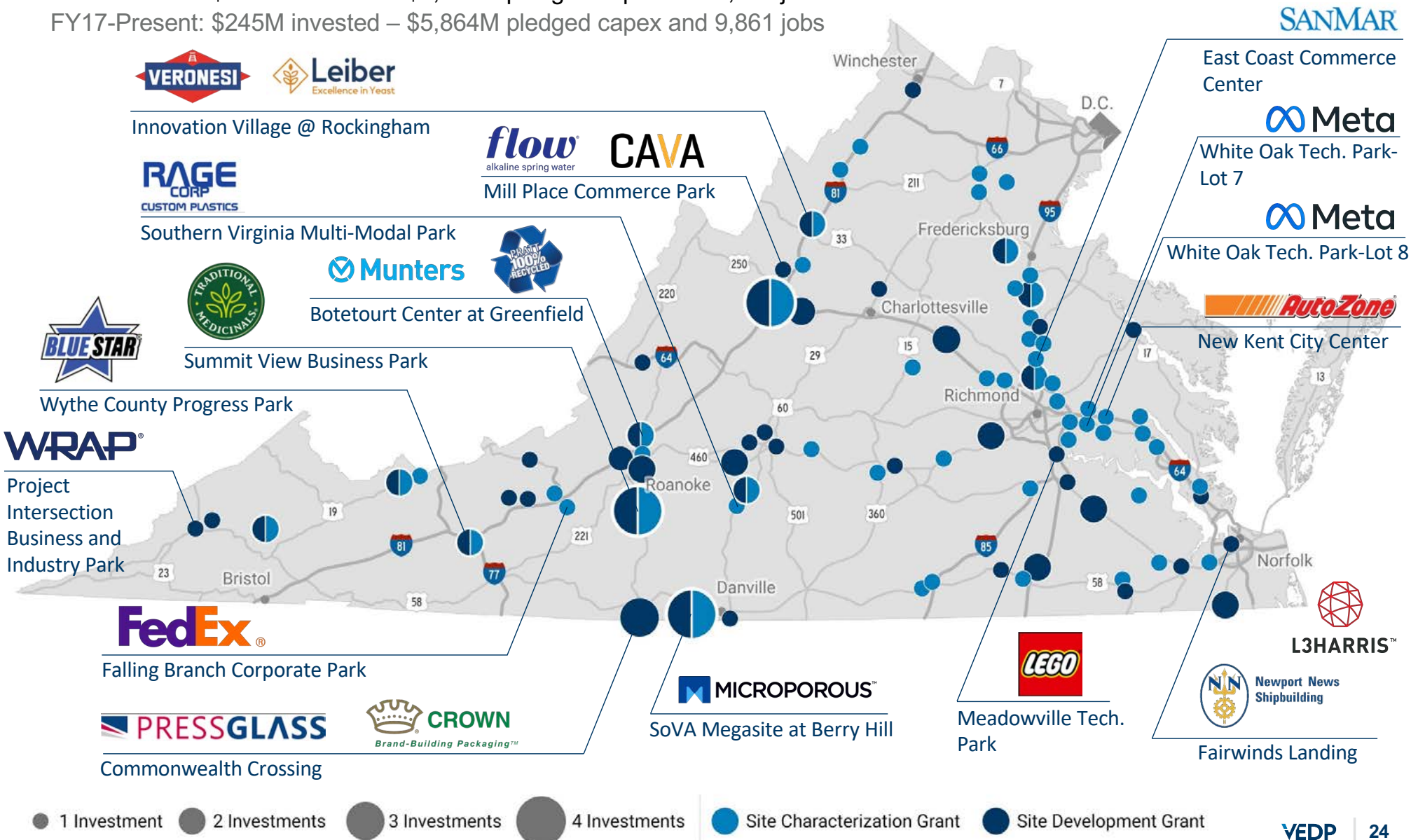
FY23: \$109M invested – \$1,113M pledged capex and 2,961 jobs

FY17-FY23: \$119M invested – \$4,235M pledged capex and 7,185 jobs



2024: ANOTHER GROUNDBREAKING YEAR FOR VBRSP WITH \$126M AWARDED

FY24-Present: \$126M invested – \$1,629M pledged capex and 2,676 jobs
 FY17-Present: \$245M invested – \$5,864M pledged capex and 9,861 jobs



FedEx®
 Falling Branch Corporate Park

PRESSGLASS
 Commonwealth Crossing

CROWN
 Brand-Building Packaging™

SANMAR
 East Coast Commerce Center

Meta
 White Oak Tech. Park-Lot 7

Meta
 White Oak Tech. Park-Lot 8

AutoZone
 New Kent City Center

L3HARRIS™
 Newport News Shipbuilding

Fairwinds Landing

● 1 Investment ● 2 Investments ● 3 Investments ● 4 Investments ● Site Characterization Grant ● Site Development Grant

ALREADY, THOUSANDS OF JOBS ARE BEING CREATED ON SITES THAT RECEIVED RECENT VBRSP GRANTS

Since 2017, VBRSP sites have won:

9,800+
DIRECT JOBS

\$5.8B+
CAPEX

| Select Projects Won | FY | Jobs ¹ | Investment |
|--|------|-------------------|------------|
| Microporous Southern Virginia Megasite at Berry Hill | 2025 | 2,000 | \$1,300M |
| Lego Meadowville Technology Park | 2022 | 1,700 | \$1,000M |
| SanMar East Coast Commerce Center | 2023 | 1,000 | \$50M |
| Press Glass Commonwealth Crossing Business Centre | 2023 | 500 | \$200M |
| Autozone New Kent City Center | 2022 | 300 | \$180M |
| Munters Botetourt Center at Greenfield | 2021 | 200 | \$36M |
| Rage Corporation Southern Virginia Multi-Modal Park | 2020 | 200 | \$34M |

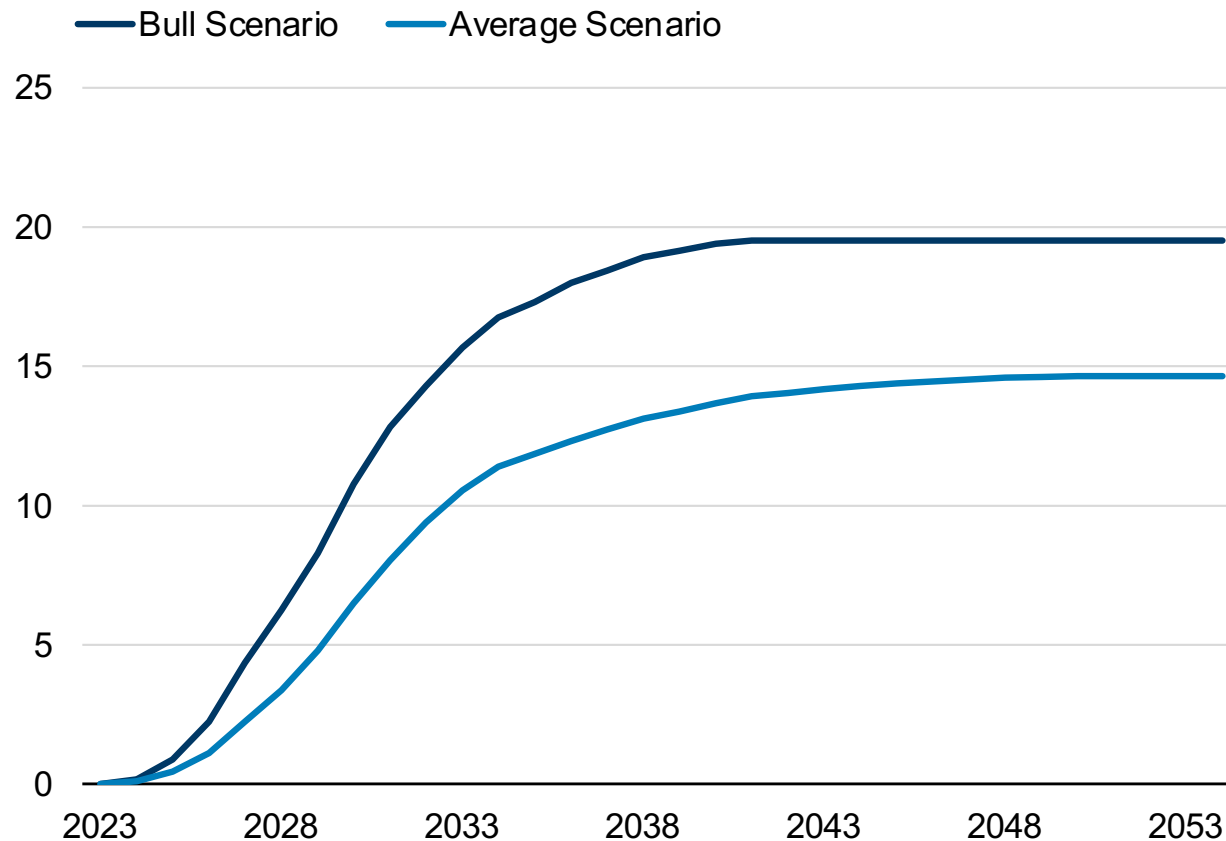
Note: Projects selected based on job count

¹Jobs and Investment are approximated

Source: VEDP project data as of December 2024

OVER THE NEXT ~15 YEARS, FY23-FY24 VBRSP INVESTMENTS ARE ESTIMATED TO GENERATE APPROXIMATELY 15K-20K DIRECT JOBS

Direct jobs estimated to be created due to FY23-FY24 VBRSP investment
Cumulative job creation, thousands of direct jobs (2023-2054)^{1,2}



15-20K
new direct jobs
expected to be
generated by the
VBRSP investments
of the past two years

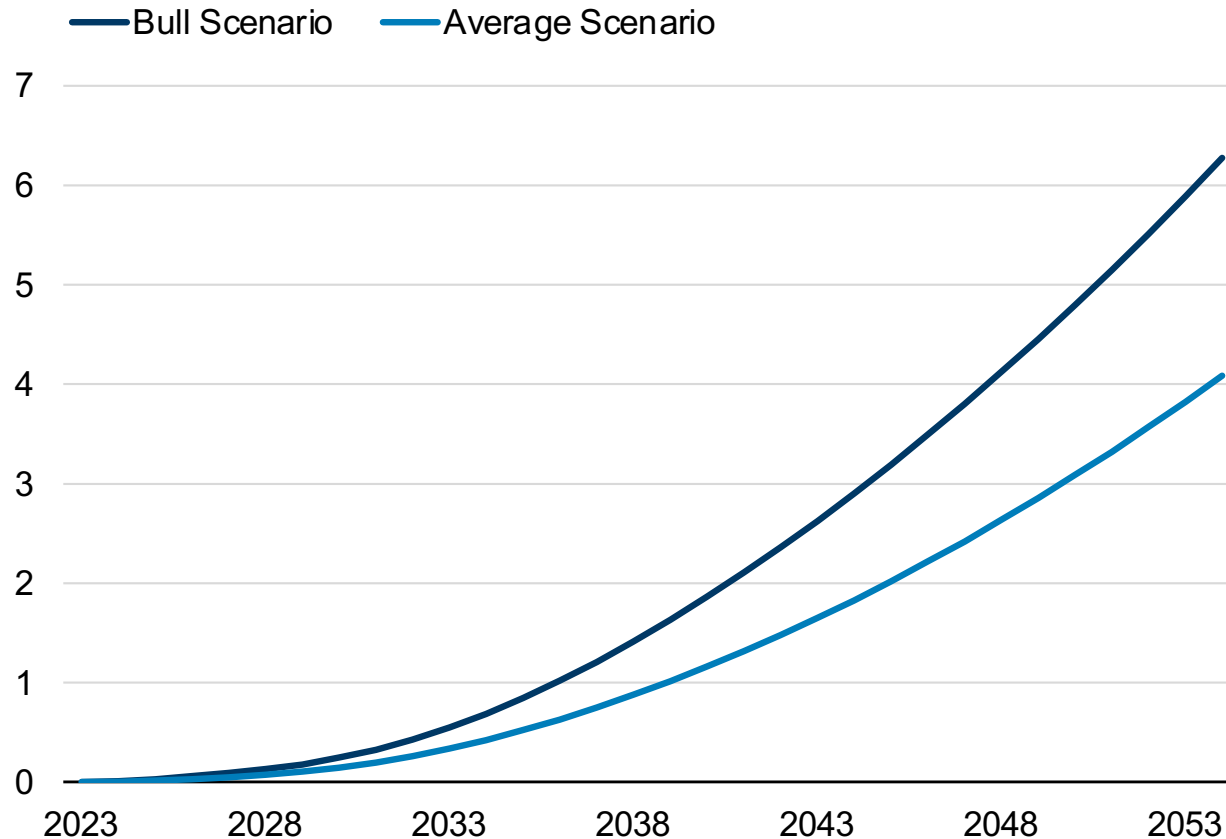
¹ Job creation impacts from due diligence grants, site characterization grants not incorporated given early-stage data on those sites, therefore the above is likely to be an underestimate. Coastal Virginia Megasite job estimates were excluded from total. Given the site's early stage of development, funding was considered a due diligence grant

² Some sites may require additional pre- or post-prospect investments to realize job creation of FY23-24 grants

Source: VBRSP program data, VEDP analysis

WHILE JOB CREATION FROM FY23-24 VBRSP PLATEAUS, REVENUES CONTINUE TO ACCRUE, GENERATING BILLIONS IN STATE REVENUE

Gross state revenue estimated due to FY23-FY24 VBRSP investment
Cumulative inflation-adjusted gross revenue, \$B (2023-2054)^{1,2}



\$4.1-6.2B
in new state revenue expected to be generated by the VBRSP investments of the past two years

¹Revenue impacts from due diligence grants, site characterization grants not incorporated given early-stage data on those sites, therefore the above is likely to be an underestimate. Coastal Virginia Megasite job estimates were excluded from total. Given the site's early stage of development, funding was considered a due diligence grant

²Est. state revenue net of incentives will be depicted in later slides

Source: VBRSP program data, VEDP analysis

MAXIMUM IMPACT IS ACHIEVED WHEN STATE AND LOCAL PARTNERS PLAY TO THEIR STRENGTHS

Strong state-level leadership provides:

- Strategic, macro perspective
- Unique intelligence and technical expertise
- Predictable and adequate funding stream

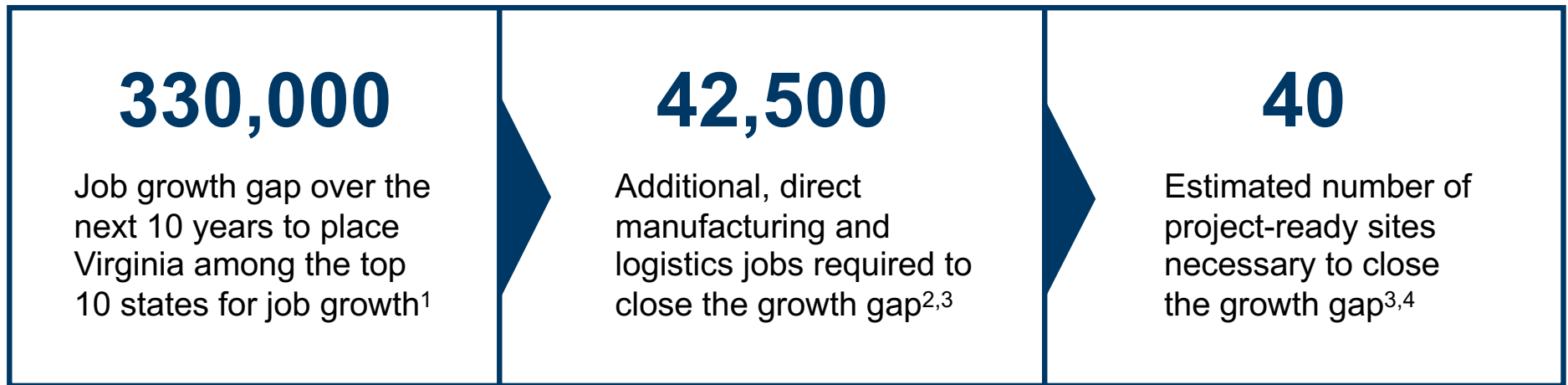
Local economic developers play a foundational role, including:

- Preliminary site identification and assessment
- Engaging community and building support
- Significant matching funds
- Implementing grants



Fulcrum Concepts LLC,
King and Queen County

\$100M/YEAR IN STATE FUNDING FOR VBRSP WILL CLOSE THE JOB GROWTH GAP AND ALLOW ALL REGIONS TO SHARE IN THE GROWTH



~\$100M/YEAR

**ANNUAL STATE INVESTMENT IN VBRSP OVER THE NEXT DECADE
(IN ADDITION TO LOCAL MATCHING INVESTMENT)**

¹Based on employment growth projections accessed by VEDP from Moody's Analytics as of April 2022. Virginia's job growth target based on average projected growth rate of top ten states

²Total employment gap divided by average sector multipliers to estimate additional direct jobs, analysis also assumes that Knowledge Work industries will generate above baseline employment growth to fill part of the gap

³Based on the midpoint of a range: 35,000 – 50,000 for additional direct employment and 36 – 44 for additional sites

⁴Estimates reflect sites 100 acres or larger only. It is assumed that other sources will address site needs <99 acres (private, local, GOVA, etc.)

COMPETITOR STATE INVESTMENT

Tennessee spent **\$170 million** to purchase and develop the Memphis Regional Megasite, which landed the Ford Blue Oval City electric vehicle plant (5,800 jobs/\$5.6B CAPEX).

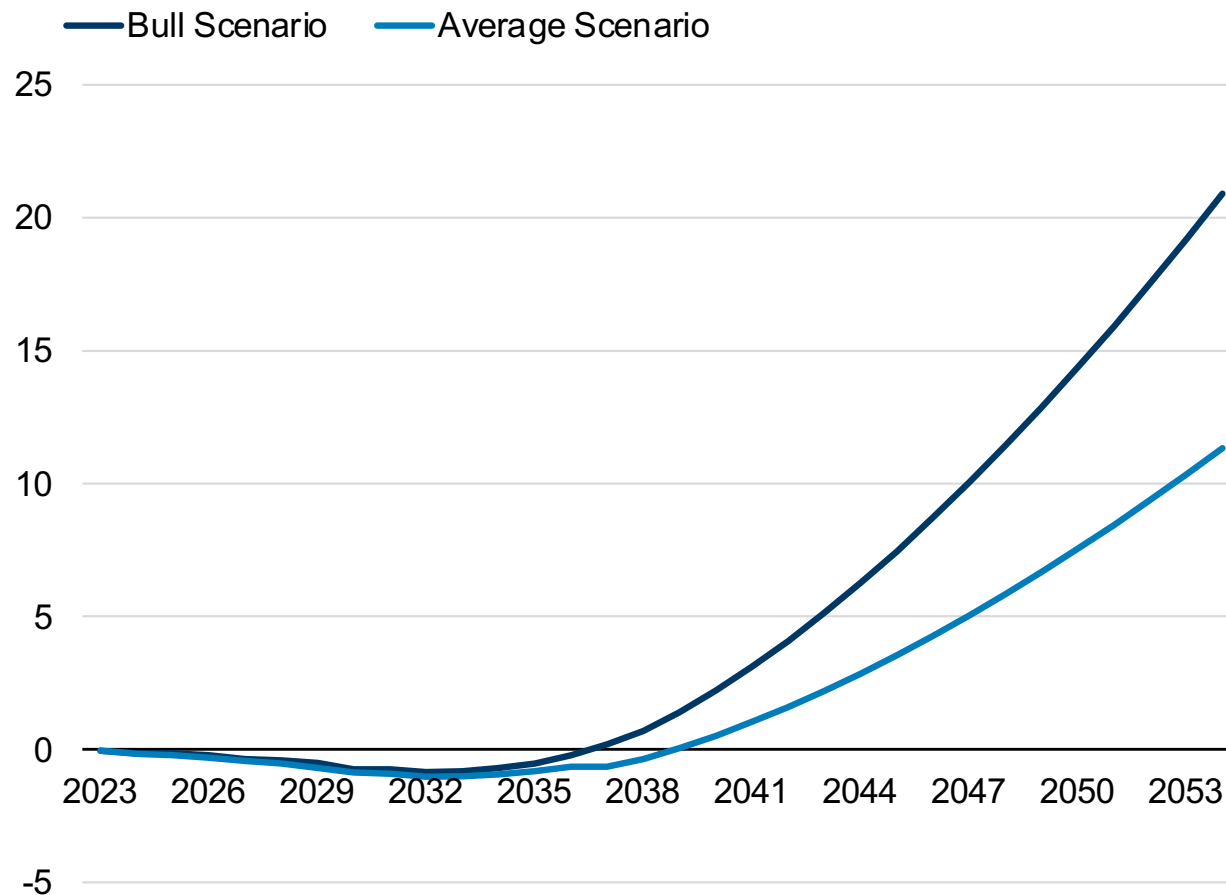
Michigan disbursed **\$259 million** to support the acquisition and development of the Mundy Township Megasite. It's believed they are competing for a semiconductor plant with the site.

North Carolina allocated **\$110 million** to establish a Megasite Readiness Program and identified five sites as having the potential to become “hot spots” for industrial development.

Georgia invested **\$61 million** to purchase the Bryan County Megasite, which won Hyundai's electric vehicle plant (8,100 jobs/\$5.5B CAPEX).

TEN YEARS OF CONTINUOUS SITE INVESTMENTS THROUGH VBRSP WILL ADD BILLIONS TO VIRGINIA'S TAX BASE OVER THIRTY YEARS

Est. net state revenue, VBRSP FY23-24 and investments of \$100M/yr FY25-32
 Cumulative inflation-adjusted net revenue, \$B in 2024 dollars (2023-2054)^{1,2}



\$10-20B+

Est. cumulative net revenue over 30 years generated by ten years of VBRSP investment (FY23-24 & \$100M/yr for eight years)

190-300K

Est. total jobs created over 30 years by ten years of VBRSP investment (FY23-24 & \$100M/yr for eight years)

¹Impacts from due diligence grants, site characterization grants not incorporated given early-stage data on those sites, therefore the above is likely to be an underestimate. Coastal Virginia Megasite job estimates were excluded from total. Given the site's early stage of development, funding was considered a due diligence grant

²Incorporates costs of estimated project incentives anticipated to locate on VBRSP sites

Source: VBRSP program data, VEDP incentive data, VEDP analysis

THANK YOU

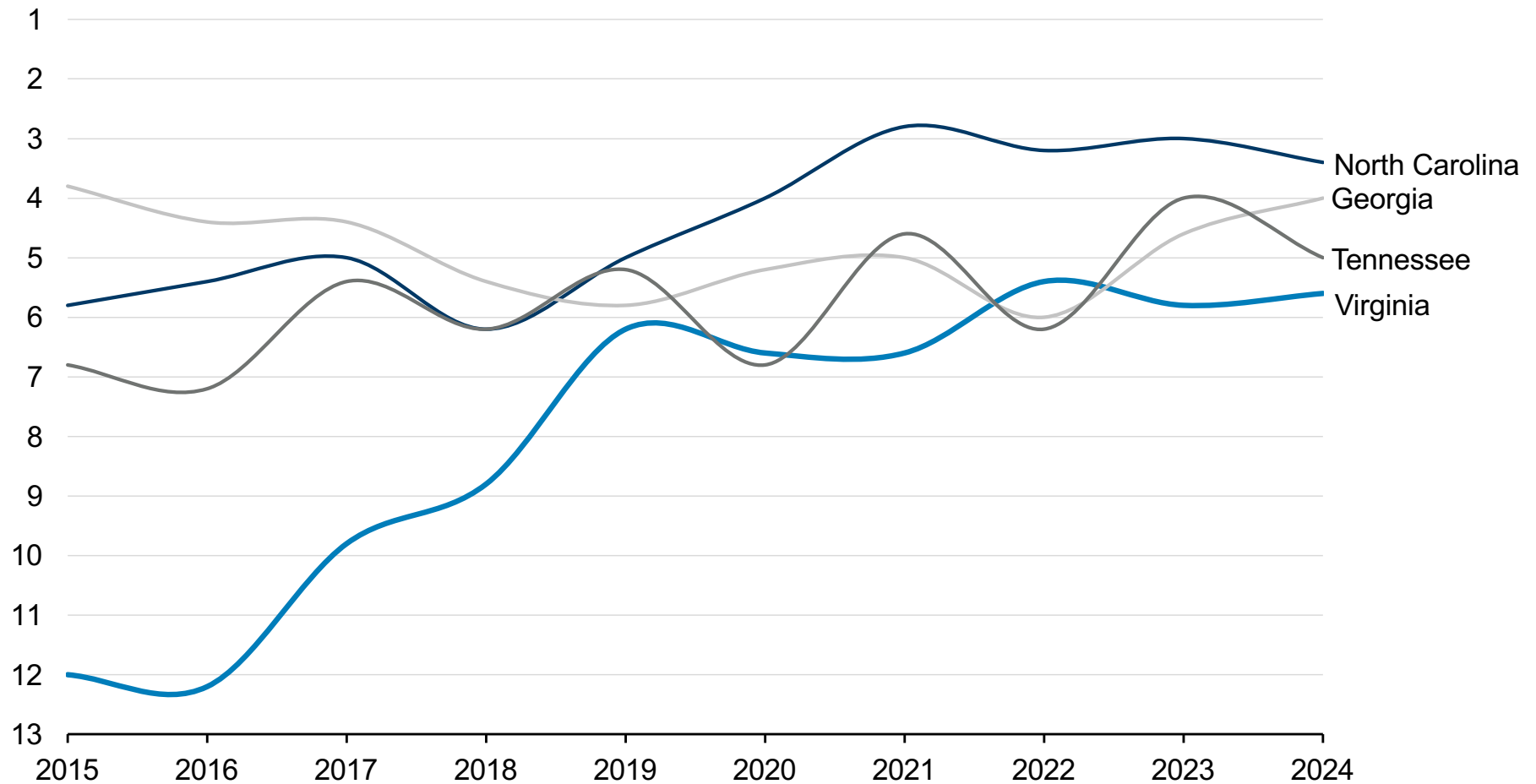


Jason El Koubi
President and CEO
jelkoubi@vedp.org

APPENDIX

VIRGINIA HAS SEEN MARKED IMPROVEMENT IN BUSINESS CLIMATE RANKINGS OVER THE PAST DECADE, REMAINS BEHIND PEERS

Average state rank in selected national business climate rankings^{1,2}



¹Business Facilities lists only the top ten ranked states. In years where a state was not in the top ten, they were assigned eleventh for the purposes of the average

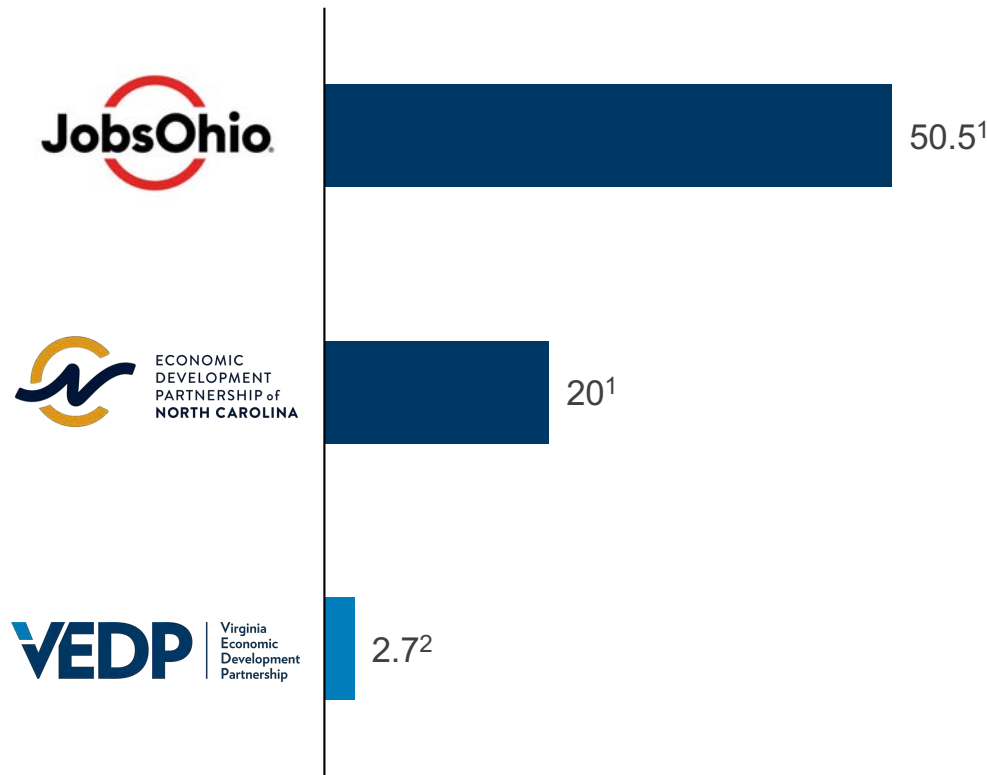
²Area Development and Site Selection have not yet released in 2024, 2023 values are used until their release

Source: CNBC; Site Selection; Chief Executive; Business Facilities; Area Development; VEDP analysis

COMPETITOR STATES ARE INVESTING IN MARKETING 8 TO 20 TIMES MORE THAN WHAT VIRGINIA IS CURRENTLY DOING

Marketing Budget

Contract expenses may be also included, \$M



We Must Invest Like the Best State for Business

- Reach top execs consistently and repeatedly where they go for business news
- Become resource for top business reporters, garnering earned media hits in premier national media outlets nationally
- Generate and maximize more leads in target industries
- Execute regional-specific, mid- to large-scale marketing campaigns for Virginia's efforts (e.g., FDI, site development, FAM tours, Int'l Trade)
- Ultimately go from reaching thousands to millions of business decision makers with our efforts

¹Budget for FY22

²Budget for FY24

Source: JobsOhio Tax Returns; Jobs Ohio 2021 Annual Report Results; North Carolina Department of Commerce Memorandum 2022; EDPNC Staff Directory; North Carolina GA FY21-23 Biennium Appropriations Bill; North Carolina GA FY22-23 Revised Appropriations Bill

VIRGINIA BUSINESS READY SITES PROGRAM (VBRSP) PRIORITIES

Investment decisions will be made according to the following program priorities, based on a thorough analysis of each site and surrounding location

Improve market-ready site inventory

The leading priority of VBRSP is to increase the market-ready product portfolio across the Commonwealth of Virginia. With the ever-changing landscape of product demands and supply chain considerations, market-ready sites are in high demand, driving the need for a strong site product inventory

Create “high-win potential” sites

High-win potential sites are those which support demonstrated market demand. These sites are expected to locate a project within 18 months of VBRSP project completion

Advance sites from lower tiers

The program recognizes the need to develop a robust inventory of sites across the Commonwealth, which at current state, may vary in the development spectrum. Therefore, projects that advance sites from Tiers 1 through 3 to Tiers 4 or 5 will be a priority

Focus on sites with potential for regional and state-wide impact

VBRSP will fund sites that are at least 100 contiguous developable acres¹, however it aims to fund larger sites given the potential for regional and state-level impact of project wins at these sites

Ensure geographic diversity

Geographic diversity will ensure that site demands of any investor across a wide spectrum of project parameters can be met across Virginia (proximity to supplier, industry cluster, etc.), and that all regions participate in Virginia's economic growth

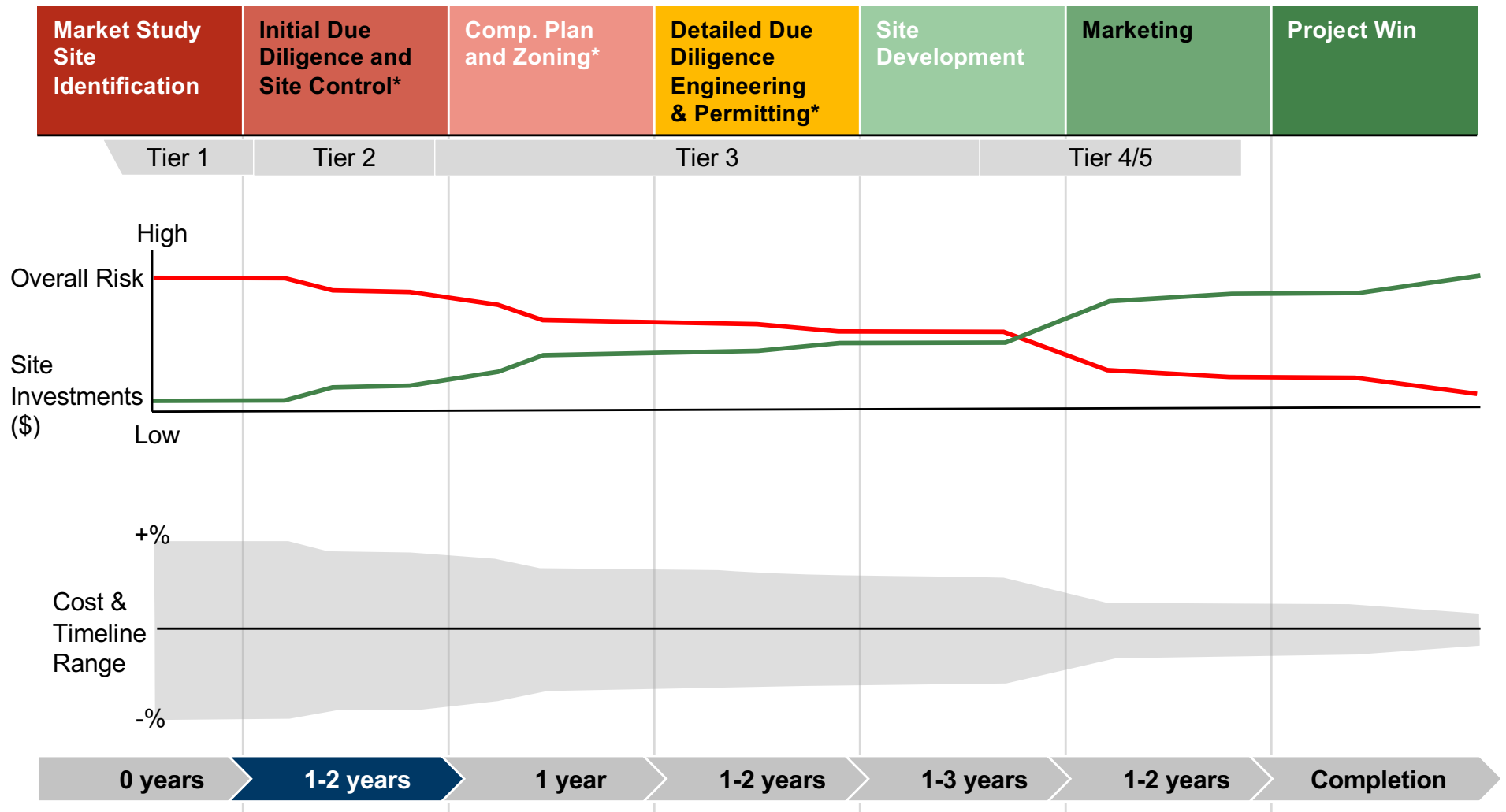
Practice fiduciary stewardship

The program will carefully consider the total investment required for each site and the anticipated return on investment for each potential project to ensure the grant funds are responsibly invested

¹GOVA Regions 1 and 2 will be eligible if the site is at least 50 contiguous developable acres.

MEGASITE DEVELOPMENT REQUIRES LONG-TERM COMMITMENTS TO REDUCE RISK AND FURTHER QUANTIFY THE COST AND TIMELINE

- Megsites require an average \$225M+ in pre-prospect investment (and \$575M+ to fully develop)
- Megsites typically require at least five years of development to reach “market readiness”



*Eligible for VBRSP support

VIRGINIA BUSINESS READY SITES ACQUISITION PROGRAM (VBR SAP) EXECUTIVE SUMMARY

Background

- In the 2023 session, the General Assembly created the Virginia Business Ready Sites Acquisition Program (VBR SAP) and allocated \$75M for Fiscal Year 2024.
- Program's objective is to identify and fill gaps in the Commonwealth's portfolio of large industrial properties for the State to purchase or option for large-scale economic development projects.
- Program disperses funds to (1) acquire or option properties, (2) conduct site development activities and (3) market and disperse properties to private employers on large-scale economic development projects.
- Program directs VEDP, in consultation with DGS and OAG, to (1) develop guidelines, (2) identify potentially eligible sites, and (3) initiate negotiations for the purchase or option of these sites.
- MEI and the Governor review and approve proposals to purchase sites, option sites, and any project development agreements for large-scale economic development projects.

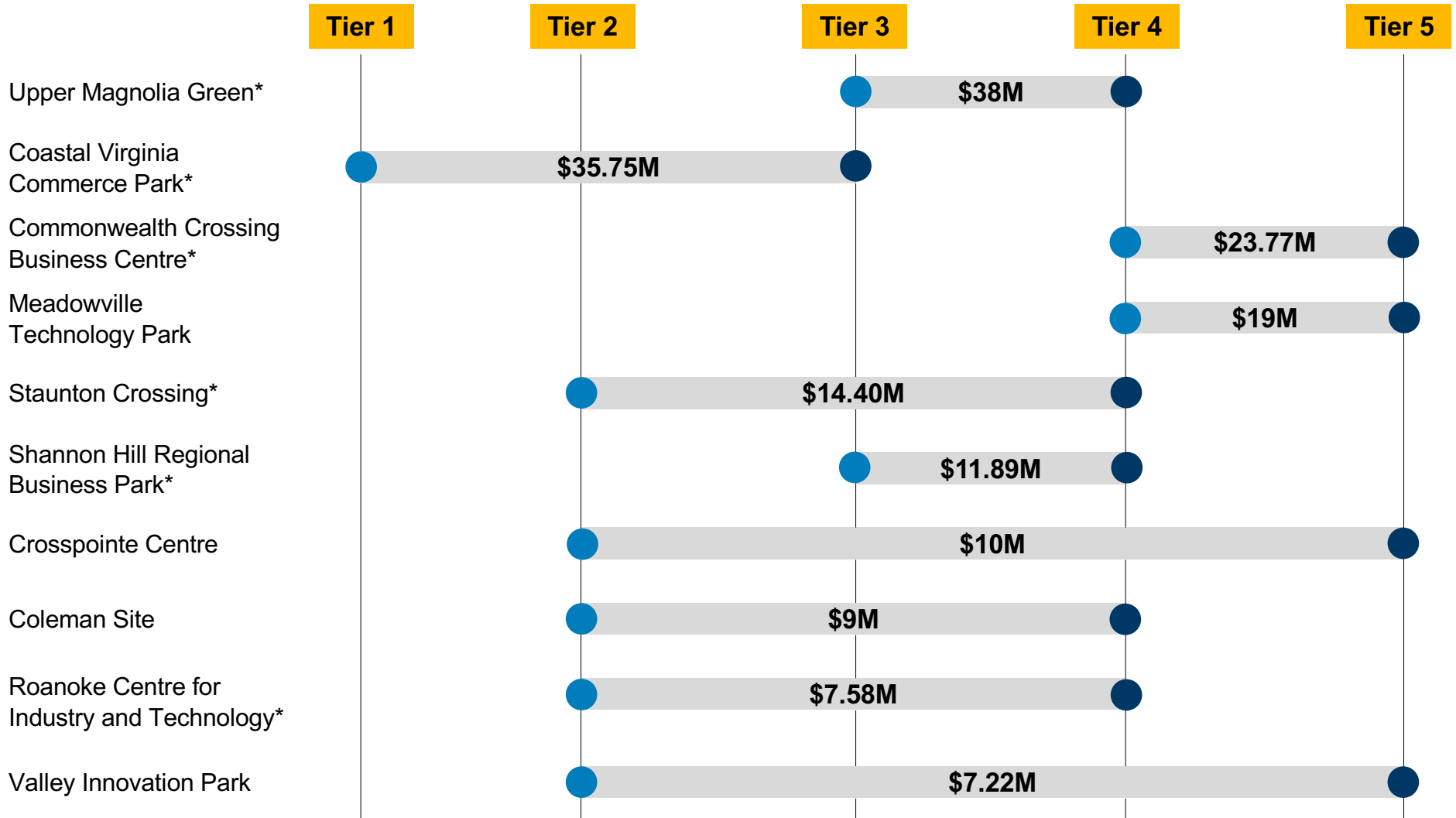
Progress to Date

- Guidelines have been prepared and are ready for the Senate Committee on Finance and Appropriations and the House Committee on Appropriations to review and provide feedback.
- A site identification project was initiated to identify and fill gaps in the Commonwealth's portfolio.
 - Market demand analysis was conducted to determine which strategic markets in the state are best suited for attracting high-priority manufacturing sectors.
 - Following the market evaluation, the existing site inventory was evaluated in these strategic markets, and critical missing properties were identified.
 - VEDP and consultants then used a best-in-class tool to rank properties using quantitative analysis to evaluate factors such as workforce availability, site developability, utility infrastructure, and transportation.
 - Eight top sites were selected for further evaluation, including order-of-magnitude cost estimates and in-depth economic ROI impact analysis.
- VEDP has confirmed the availability of several top sites and seeks direction on the next steps.

SITES THAT RECEIVE VBRSP FUNDING MAKE SIGNIFICANT PROGRESS TOWARD BECOMING PROJECT-READY

NOT COMPREHENSIVE

● Pre-VBRSP ● Post-VBRSP



*Received multiple VBRSP grants

TO SUPPORT VIRGINIA'S JOB GROWTH TARGETS, AN ONGOING INVESTMENT OF ~\$100M/YR IN SITE DEVELOPMENT IS REQUIRED

| Type of cost | Est. ten-year total investment (\$M) | Expected Commonwealth share (%) | Est. ten-year Commonwealth share (\$M) |
|-----------------------------------|--------------------------------------|---------------------------------|--|
| Due Diligence | 20 – 30 | ~60% | 10 – 20 |
| Water / Sewer | 450 – 750 | ~60% | 270 – 450 |
| Transportation | 480 – 800 | ~60% | 290 – 480 |
| Strategic Power, Gas, and Grading | 380 – 640 | ~60% | 230 – 380 |
| Total | 1,330 – 2,220 | ~60% | 800 – 1,330 |

| | |
|---------------------|--|
| ~\$100M/YEAR | WE NEED A PREDICTABLE, ONGOING INVESTMENT IN SITE DEVELOPMENT |
|---------------------|--|

IN 2019, VEDP RECEIVED \$2M TO LAUNCH A FIRST OF ITS KIND EFFORT TO EVALUATE THE STATEWIDE SITE PORTFOLIO

Public sector partners

VEDP partnered with GO Virginia and regional and local economic development partners to identify solutions to develop a geographically-balanced portfolio of project-ready sites



103 localities

16 Regional economic development organizations

466 sites

Private sector experts

Site engineers

- Compiled, reviewed, and assessed physical potential of each site
- Estimated cost to reach project-ready status



Site selection consultant

- Assessed location competitiveness relative to VA & Southeastern peers
- Assessed suitability of each site for 8 sectors

